



SOCIETY OF ACTUARIES

Article from:

The Actuary

October 1997 – volume 31 - Issue 8

The Actuary

Howard Bolnick tops SOA's list of new officers, Board members

Howard J. Bolnick has been elected 1997-98 president-elect of the Society of Actuaries. He will take office Oct. 28 at the Society of Actuaries' annual meeting in Washington, D.C. His term as president will begin in October 1998.

Bolnick became an adjunct professor at Northwestern University, Evanston, Ill., after retiring as president of Celtic Life Insurance, Chicago. He was a member of the SOA Board of

Governors, 1989-92, and then served as vice president, 1994-96.

Bolnick has said of his upcoming term, "To sustain a vital and relevant profession, the SOA must provide opportunities for personal growth, expand intellectual capital, and enhance members' contributions to business, government, and public audiences. If leadership falters, our profession risks becoming a minor trade, losing credibility to others seeking to do actuarial work."

He also spoke of nurturing a "virtuous circle," saying the SOA should expand intellectual capital and availability of knowledge to members. "This creates opportunities to broaden our expertise, which in turn enhances actuaries' relevance to outside audiences."

Bolnick has been a member and chair of the Health Section and several SOA committees, including those on education, exams, elections, social insurance, professional development, and the future of actuarial science. He has been an exam writer for the SOA and is a member of the editorial board of the SOA's new scholarly publication, the *North American Actuarial Journal*.

His activities on behalf of other actuarial and insurance organizations have included serving on the boards of the Illinois Comprehensive Health Insurance Plan, Health Insurance



*Howard J. Bolnick
President-Elect*

Association of America, PM Squared Inc., and Third Coast Insurance Company. He has also served as chair of the American Academy of Actuaries' Health Practice Council.

Bolnick received his bachelor's degree from the University of Michigan in 1967 and his M.B.A. from the University of Chicago in 1970.

New vice presidents

Newly elected vice presidents also begin their terms, which run for two years, this month. They are:

- William F. Bluhm, principal and consulting actuary, Milliman & Robertson, Inc., Minneapolis
- Robert L. Brown, professor of actuarial science, University of Waterloo, Ontario
- Esther H. Milnes, vice president and actuary, Prudential Insurance Company, Newark, N.J.

Board members

Elected to three-year terms on the Board of Governors are:

- Gail A. Hall, vice president and actuary, Massachusetts Mutual Life Insurance Company, Hartford, Conn.

Inside this issue

Editorial: Beyond the numbers.....2
by Ken McCullum

Will insurers support the GRET?3
by Deanne L. Osgood

Framework for a new SNFL.....8

Acknowledging change8
by Craig R. Raymond

Maturity extension riders10
by Tim Fitch

The need to discuss assumptions12
by Rachel M. Hancock

**Setting the pace:
Problem solver13**
by Jacqueline Bitowt

Update on Course 8 design14
by Joseph Abel, Ph.D., and Richard Lambert

SOA's Web site is virtual palace15
by Peggy Grillot

On the lighter side: Rule of 1116
by Donald R. Sondergeld

E&E Corner18

Puzzle20

(continued on page 4)

Board members (continued from page 1)

- Stuart Klugman, Principal Financial Group Professor of Actuarial Science, Drake University, Des Moines, Iowa
- Ethan E. Kra, managing director and chief actuary – retirement, William M. Mercer, Inc., New York
- Craig R. Raymond, senior vice president and chief actuary, Hartford Life, Inc., Simsbury, Conn.
- Donald J. Segal, senior vice president and actuary, The Segal Company, New York
- Jack M. Turnquist, president, Totidem Verbis, Dallas

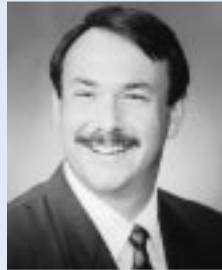
The new Board members join officers Anna M. Rappaport, president; David M. Holland, immediate past president; Sam Gutterman, penultimate past president; Donna R. Claire, vice president, secretary, and treasurer; A. Norman Crowder, III, vice president; James J. Murphy, vice president; and sitting members David N. Becker, Nancy A. Behrens, Sue Ann Collins, Cindy L. Forbes, Jay M. Jaffe, Neil A. Parmenter, Julia T. Philips, Philip K. Polkinghorn, Arnold F. Shapiro, Bradley M. Smith, Mark A. Tullis, and Kurt K. von Schilling.

Section councils

New members of each of the special interest Section councils were also elected. The following were elected to three-year terms unless otherwise noted.

- Actuary of the Future:
 - Kent M. Bergene
 - Asutosh Chakrabarti
 - Teresa Russ Winer
 - Scott E. Wright (1 year)
- Computer Science:
 - John L. Engelhardt
 - Scott T. Parkinson
 - Michelle D. Smith
- Education and Research:
 - Jeffrey A. Beckley
 - Sarah L.M. Christiansen
 - Thomas N. Herzog
- Financial Reporting:
 - Larry M. Gorski
 - Mike Lombardi
 - Karen Olsen MacDonald
 - S. Michael McLaughlin (1 year)
- Futurism:
 - Albert E. Easton
 - Paul D. Laporte
 - Paul H. Stefansson
- Health:
 - Robert C. Grignon
 - Bernard Rabinowitz
 - Robert O. Young

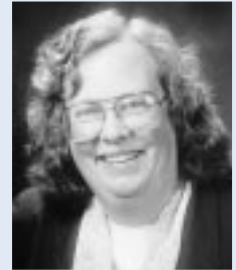
New Vice Presidents



William F. Bluhm



Robert L. Brown



Esther H. Milnes

New Board Members



Gail A. Hall



Stuart Klugman



Ethan E. Kra



Craig R. Raymond



Donald J. Segal



Jack M. Turnquist

- International:
 - Joshua D. Bank
 - Jeong (Jay) Han
 - Angelica B. Michail
- Investment:
 - Martin Leroux
 - Josephine E. Marks
 - Judy L. Strachan

- Nontraditional Marketing:
 - Grant Hemphill
 - Carl E. Meier
 - John B. Yanko
 - Pension:
 - Colin England
 - Lindsay J. Malkiewich
 - Lee J. Trad
 - Product Development:
 - Katherine A. Anderson
 - Boris Brizeli
 - Larry N. Stern
 - Reinsurance:
 - Graham J. Bancroft
 - Bryan J. Featherstone
 - Michael W. Pado
 - Smaller Insurance Company:
 - Rodney A. Keefer
 - Stephen L. Marco
 - Lori A. Truelove
- The Section councils are in the process of electing their new officers and planning their first 1997-98 meetings, many to be held at the SOA's upcoming annual meeting in Washington, D.C.

Editorial (continued from page 2)

an answer. If we are to be an important profession, we must be able to answer questions that deal not only with objective matters of mathematical equations, but also with subjective matters of right and wrong. If we are to be a noble profession, we must define an ethical framework for crafting our answers and we must progressively act within that framework. If we can only reach such a framework via regulatory action, then I believe we are a sorry lot, ill prepared to keep pace with the world we live in, never mind playing a leading role.

Because actuaries are proud of the profession, and because they are obligated to fulfill the responsibilities they've been given, they must not allow that to happen. Policyholders,

employees, and shareholders all depend on the actuary to protect the franchise. In that spirit, I believe some of the key questions individual life actuaries need to address include:

1. Are tontines bad ?
2. What commitments for nonguaranteed element management do we make to the public ?
3. How do we best fulfill our primary responsibility — insurer solvency — in a competitive market?

I think that if our profession can answer those challenges, we can work to remove, rather than further, the regulatory burdens encumbering our business.

In attempting to address these core issues, our current regulatory environment has very specific and detailed

prescriptions for us to follow, ostensibly to ensure that we meet the core objectives. Unfortunately, the specific rules have obscured the broader principles and have lost much of their relevance with the evolution of our business. I believe we need to create a free market environment that will allow us to devote more of our professional talent to simply doing business.

To enable us to do so, our ethical framework must focus squarely on the "forest" and ignore the "trees." The proposed revisions to the Standard Nonforfeiture Law are an important step in this direction.

Ken McCullum can be reached by e-mail at kmccullum@thehartford.com.

Introducing the profession — via the SOA Web site

Recent visitors to the Society of Actuaries' home page (www.soa.org) have discovered a new hot link on the main page. The "How do I become an actuary?" section is packed with information designed to help those who know nothing at all about actuarial science become familiar with the profession.

The site's purpose is to provide basic information about the SOA and our sister organizations, the exams, the high school and college courses necessary to become an actuary, minority scholarships, and other facets of an actuarial career, such as what do actuaries actually do all day?

The "How do I become an actuary?" section was created by a sub-group of the Committee on Career Encouragement. The section soon will offer the preliminary exams for downloading. Other suggestions include creating a list of actuarial mentors who are willing to become unofficial counselors to young people considering or already trying for a career in actuarial science.

Keep watching the site for the latest updates. Comments and questions about the new section can be directed to Linda Heacox at the SOA (phone: 847/706-3528; fax: 847/706-3599; e-mail: lheacox@soa.org).